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2 SEP 1956

**MEMORANDUM FOR: Acting Director of Central Intelligence**

**SUBJECT: Clearance with Congress on Administrative Actions**

1. This memorandum contains a recommendation in paragraph 4 for approval of the Acting Director of Central Intelligence.

2. Upon approving the authorization for medical benefits for dependents of overseas employees, you requested that I pursue the question whether we should not advise Congress of the action taken in view of our pending legislation on this subject. I have discussed it with [redacted] As a practical difficulty there is no one presently in town with whom it would be appropriate to discuss this matter. We believe it is not the type of problem which could well be handled by calling congressmen at home. In any case, we believe it would be preferable to wait until Congress is again in session and to discuss this matter with the committees when our bill is reintroduced.

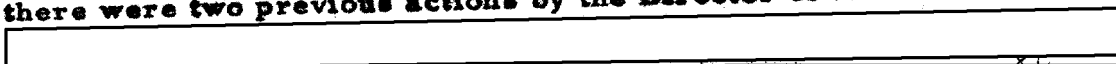
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3. Our argument is that we discussed this problem with the General Counsel to the Comptroller General, who is responsible to the Congress and is their watchdog for administrative expenditures. He is aware of our pending legislation and if he felt there were a serious problem of congressional objection, he had the opportunity to object. Therefore, rather than going to some individual member or members of the Congress who might feel differently or might not understand our position on the use of our special authorities, we feel it would be better to present the matter formally to the Congress while in session. Furthermore, there were two previous actions by the Director of similar nature.

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[redacted]  
[redacted] We did not consult either the Congress or the Comptroller General on either of these. Consequently, it would be necessary to present these actions to the Congress in connection with our legislative proposals.

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4. If properly handled, I do not believe the Congress will resent these actions and conceivably this situation could result in approval by Congress of handling similar matters administratively, on proper clearance, rather than by further legislation. The Comptroller General has stated that he does not believe it was the intent of Congress for our special authorities to be used to solve administrative difficulties such as these. If, however, the Congress now determines that it would be preferable to use our existing authorities without new legislation, an expression to that effect by the appropriate committees would, I believe, satisfy the Comptroller General. Consequently, I recommend that we not touch base with the Congress at this time and that [redacted] with such assistance as I can give him, make preparations for an approach to the Congress at the beginning of the new session.

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S/  
LAWRENCE R. HOUSTON  
General Counsel

CONCUR

S/  
[redacted]  
Legislative Counsel

The recommendation in paragraph 4 is approved

OGC:LAH:jeb

cc: ADCl

DDCl

DD/S

Legislative Counsel

General Counsel

SIGNED

C. P. CABELL  
Lieutenant General, USAF  
Acting Director

28 SEP 1956

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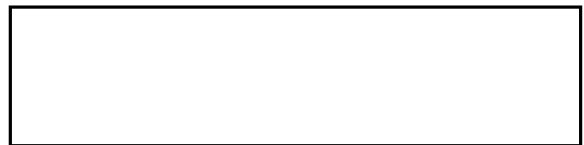
27 September 1956

MEMORANDUM FOR: The Acting Director

SUBJECT: Medical Benefits for Dependents

1. I have concurred in the attached memorandum from the General Counsel on the assumption, which I have been informed is correct, that a failure to go ahead with medical benefits for dependents at this time would work a hardship on our employees in comparison with Foreign Service personnel in similar situations. Otherwise I would have urged caution in proceeding, as I believe it is unwise to create an obvious opportunity for criticism that we have gone ahead on our own hook to do things which Congress has not as yet approved, and which we did request of them.

2. It seems to me that the case for medical benefits is much stronger than the case for storage of household effects or educational travel, which present the same type of problem with the Congress. Inasmuch as these two benefits were approved some time ago, I see no reason why we should not proceed with the medical benefits, particularly in light of Mr. Houston's prior check with the General Counsel of GAO. I think we should make a clean breast of all this, however, when we appear in support of our legislative requests next session.



Legislative Counsel

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Attachment

*John*